KARNATAKA STATE AKKAMAHADEVI WOMEN'S UNIVERSITY, VIJAYAPUR

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ON

"Empowerment of Women through Micro Finance – A Case Study of Vijayapur District"

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By

Ms. Annapurna M.Tuppad

(Research Scholar, Dept. of Commerce)

Research Guide

Prof. S.B.Kamashetty

Professor, Department of PG Studies and Research in Commerce
Karnataka State Women's University, Vijayapur

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Introduction

Indian women play a key role in the progress of the country in the similar way the men do. The status of Indian women has witnessed a great change over the span of past few years. For nothing was it said, **"The hand that rocks the cradle rules the world" – Dr Rajendra Prasad, The first President of India**. Women in India are now ambitious and are entitled to equal status and equal rights like their male counterparts.

A country cannot progress until and unless its women take initiative for developmental works. Swami Vivekananda, a spiritual leader quotes **"There is no chance for the welfare of the world unless the condition of women is improved. It is impossible for a bird to fly on only one wing"**. Thus in order to achieve the growth and development India needs to empower its women.

Women empowerment has considerable attention as the indicators of development, in recent years. Empowering women is a huge task which includes many dimensions. It is a lengthy process, not a phenomenon that happens automatically. It guarantees equal economic opportunity to all with no discrimination on the grounds of sex. The government of India declared the year 2001 as "Women's Empowerment Year" with a vision of 'Women are Equal Partners like Men'. This could be possible in India only by transforming its colossal women force into an effective human resource and this is possible only through the role enhancement of women in financial structure of our social system.

Finance is a key input for boosting economic activity, growth and economic development of a nation. Government has been introducing many schemes with a concern to ensure economic development of poor and underprivileged class of society by providing them with various modified products and services. Microfinance is one such scheme introduced.

The SHG-Bank Linkage Programme in India has been a flag-ship programme of National Bank for Agriculture and Rural Development (NABARD), being considered as the largest

community based microfinance program in terms of outreach. It guarantees the poorest of the poor to access financial resources to increase household income and to achieve sustained livelihood.

The area of study Vijaypur is one among the districts of Karnataka State. The study seeks to explore in the role of microfinance in empowerment of women in Vijaypur district. Further the study seeks to examine the livelihood practices and the changes in the socio economic well being of women beneficiaries after getting associated with microfinance and self help groups.

Review of related literature

2012 Dr.Uma Narang analyzed the growth of SHGs, level of women empowerment and improvement in the economic condition of women members after joining the SHGs. The study revealed that SHGs is a way to alleviate poverty and empower women. They enable women to attain gainful employment and lead to improvised livelihood on sustainable basis. It instills more self-confidence, motivation, strength, recognition and an ability to make or resist decisions. Thus, SHGs are a strategic tool for poverty alleviation and women empowerment

2013 Misal D.M opined that micro finance is a strategic tool for poverty alleviation and women empowerment. When invested properly it can add fuel to the economic growth of the country. Further it facilitates financial self-sustainability, fosters credit culture, promotes income generating activities, empowers women and even promotes entrepreneurial skills.

2013 Sibghatullah Nasir examined that micro finance institutions has key issues like low outreach, high interest rate, negligence of urban poor, high transaction cost etc. Further internal, external and client based challenges too prevail. If these shortcomings are eliminated then it will have a positive impact on the economy leading to great efficiency and improved living standards. Further a need for regulating micro finance institutions, proper training and uniform distribution in both rural and urban areas in the states of India is suggested.

2014 Rathiranee .Y and Semasinghe D.M aimed at assessing the impact of micro credit on women empowerment before and after joining micro credit programme.It was concluded that micro finance plays an important role in economic empowerment of women. It has led to increase the incomes and savings of the members. Further it has enhanced the confidence,

courage and skills. It was concluded that micro credit should be considered along with other financial services to empower the poor women in the area under the study.

2015 Dr.R.Ganapathi studied the factors influencing the economic empowerment of women through SHGs. The study examined the economic activities, asset ownership, income level, savings, welfare activities and economic power of the beneficiaries. The result indicated that all these factors led to economic empowerment of women beneficiaries of SHGs in South Tamil Nadu.

2016 Simantini Mohapatra and Bimal Kishor Sahoo is examined the determinants of participation in SHGs and its impact on women empowerment opined that socio-economic environmental factors determine the participation in SHGs. The study revealed that participation in SHGs has a positive impact on empowerment of women.

Background of the study

India is a fastest growing economy in the world in terms of wealth and prosperity. It occupies a prominent position in the developing countries of the world. India has sustained a rapid growth in the last two decades. In spite of there are growing concerns with respect to poverty alleviation, inclusive growth and social well being of the citizens.

Indian economy has witnessed an attractive economic growth. Its annual average GDP has been 7% since 2001.India is the fastest growing economy of the world surpassing the major countries of the world. In spite of tremendous growth it is not accompanied by equitable and inclusive growth. Growth continues to bypass a large section of people .There are issues relevant like widespread poverty, massive unemployment, gigantic rise in population and so on. There is an immense disparity between the rich and the poor where rich are becoming super rich and poor are living on the streets.

In India, where religious myths and traditional attitudes define virtues and vices (relative to interpretation), and these in turn condition popular imagination to form the social culture, the ideal and permissible cultural role of a woman. **In Indian society, women are traditionally discriminated against and excluded from political and family related decisions. Their opinions are rarely acknowledged and their rights are limited. India has an undemocratic**

approach towards women and thus they are considered the second citizens. In the early 90s the Seventh Plan introduced many developmental programmes for women with an objective of raising their economic and social status to bring them into the mainstream of national development. Further the Eighth Five Year Plan launched in the year 1992 aimed at meeting the increasing needs of women in developmental process. There was a shift in emphasis from "development to empowerment".

Empowerment is a process that enables awareness of identity and power among individuals and groups in various spheres of life. Empowerment plays a pivotal role with respect of socio-economic development of women. It is a multi dimensional process that enables individuals and groups. The World Bank has identified empowerment as one of the key constituent elements of to have control over their lives. It instills self confidence, problem solving abilities, skill development and decision making ability among women. Thus, it promotes growth, poverty alleviation and better governance.

Women's participation in economic activity is of crucial importance. It ensures that women experience greater control over their lives and resources. Further it guarantees greater self confidence, access to better finance and higher incomes that benefit their families and community.

Economic development of the nation adds to the empowerment of women. This economic empowerment of women serves as an instrument to eradicate gender inequality and promotes inclusive growth. Financial inclusion brings the vulnerable groups such as low income groups to the mainstream and ensures access to financial products and services such as savings, credit, insurance and remittance facilities at affordable costs as to meet their economic needs. Therefore access to credit is a way to empowerment as it is a key to improved standard of living, increased productivity and a sense of security.

The financial institutions offering credit are classified as formal, semi formal and informal institutions. The formal banks and financial institutions require collateral and follow a regressive lending policy. Hence, the poor for various reasons cannot afford to provide collateral. The informal credit lenders are usually the wealthier villagers offering credit at extremely high interest rate that the poor cannot afford.

Around 76% of the Indian households belong to low and lower middle income group. They do not have access to credit. Further women are more credit constrained than men. This hinders their choices, ability to earn and invest and access to productive resources. Microfinance is a strategic tool that guarantees a positive noticeable change by promoting women empowerment. It allows participation of women in income generating activities, increases their sources of income along with ensuring a dignified life within the society.

The concept of microfinance has broadened and includes the non-economic agenda as well such as skill training, education, health care and awareness and thereby strengthens and supports the livelihood of the deprived class. Therefore the financial and non-financial services of microfinance pave way for gender empowerment. Therefore the study is undertaken to identify and understand the factors of women empowerment and how participation of women in microfinance programmes affect their socio economic well being.

Research Objectives

1. To study the conceptual framework of microfinance in India.
2. To study the dimensions and determinants of women empowerment.
3. To evaluate the extent of social empowerment of women through microfinance in Vijaypur district.
4. To evaluate the extent of economic empowerment of women through microfinance in Vijaypur district.
5. To identify the problems of microfinance and give suitable suggestions to empower women in Vijaypur district.

Research Hypotheses:

1. H0: There exists a significant relationship between social empowerment of women and access to micro finance.

   H1*:* There exists no significant relationship between social empowerment of women and access to microfinance.

2. H0: There exists a significant relationship between economic empowerment of women and access to micro finance.
   H1: There exists no significant relationship between economic empowerment of women and access to micro finance.

Research Methodology:

The main focus of the study is to examine the role of microfinance in empowerment of women in Vijaypur district. Further the study seeks to examine the livelihood practices and the changes in the socio economic well being of women beneficiaries after getting associated with microfinance and self help groups. In order to fetch data for analysis, following sources will be used:

- Use of secondary sources (like related text books, data from banks and SHGs etc.)
- Use of primary sources (like questionnaire, Observation and interviews etc.) from the beneficiaries of SHGs.
- Use of scholarly literature (like related conceptual and empirical literature.)

Sample design:

Stratified sampling will be used to draw out the samples for the study.

Statistical tools:

- Percentage
- Chi square test for independence
- Likerts scale analysis

Organisation of the research report:

The research report will be divided into five chapters as below:

Chapter 1: Being the introduction it deals with brief background of the study, statement of problem, objectives of the study, hypothesis of the study, significance of the study, research methodology and limitations of the study.

Chapter 2: This chapter will present the review of literature of the studies in micro finance and women empowerment.

Chapter 3: This chapter will discuss the concept of **Women empowerment, Micro finance and self help groups.**

Women empowerment: Concept of women empowerment, significance of women empowerment, dimensions of women empowerment, stages and policy approaches in women empowerment.

Micro finance: Concept of micro finance, need and importance of micro finance, role of NABARD, micro finance in India, micro finance and women empowerment.

Self help groups: SHGs in India, models of SHGs, formation and development of SHGs, SHGs and linkage programme and SHGs and women empowerment.

Chapter 4: This chapter being the profile of the industry will present concept of micro finance, growth of micro finance. micro finance delivery models and micro finance regulations. Self help group models, growth of SHGs in India, SHGs and bank linkage programmes.

Chapter 5: will discuss the data analysis and interpretation of primary data.

Chapter 6: will present the findings of the study, suggestions and conclusion.

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